

FORM MR-RC (LMO)

Mine Name: Lisbon Valley
Copper Project

Revised August 9, 2006
RECLAMATION CONTRACT
ML20569

Other Agency File Numbers: UTU-72499, ML17661,

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

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LARGE MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Lisbon Valley Mining Co. LLC the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/088 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the land affected by the mining operations in accordance with the Act and regulations, and the Operator is obligated to provide a surety in form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the Act and regulations, as they may be amended, and in accordance with the mining and reclamation plan (Reclamation Plan) approved by the Division all of the lands affected by the mining operations conducted or to be conducted pursuant to the approved Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

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JUN 29 2007

DIV. OF OIL, GAS & MINING

- A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and
 - B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the approved NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with an approved notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the approved NOI.
- 3. The Reclamation Plan is intended to establish methods, plans, specifications, and other details required by the Act and regulations as they pertain to the lands affected by mining operations, and no provision of the Reclamation Plan shall be interpreted to diminish the requirements of the Act and regulations. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI or Reclamation Plan, which are primarily intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
- 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
- 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount as required by the Act, to replace the cancelled surety.

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B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act, the regulations, and the Reclamation Plan, as they may be amended. If the mining operations are modified or for any other reason vary from those described in the approved Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the approved Notice of Intention in accordance with the requirements of the Act and regulations, as amended and the Reclamation Plan, as amended. If the Division makes such finding, Operator may make request to the Division for a reduction in the amount of the surety. The Division, or the Board if the surety is in the form of a board contract, may permit such a reduction if it determines that the reduced amount will be adequate to ensure complete reclamation of the lands affected by the mining in accordance with the requirements of the Reclamation Plan, the rules and the Act, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to



maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.

10. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.
12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

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Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party, and that the Operator, if not a natural person, is an entity properly organized and in good standing under the laws of the United States and is registered with and authorized to do business in the State of Utah.

OPERATOR:

Lisbon Valley Mining Co. LLC by Summo USA Corporation, Manager

Operator Name

By John A. Labate

Authorized Officer (Typed or Printed)

Vice President and Chief Financial Officer

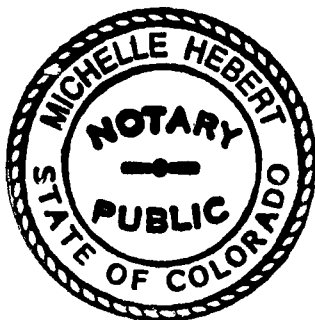
Authorized Officer - Position

John A. Labate 6/28/07
Officer's Signature Date

STATE OF Colorado)
COUNTY OF Jefferson) ss:

On the 28 day of June, 2007, John A. Labate
personally appeared before me, who being by me duly sworn did say that
he/she is an officer (i.e. owner, officer, director,
partner, agent or other (specify)) of the Operator and duly acknowledged that
said instrument was signed on behalf of said Operator by authority of its bylaws,
a resolution of its board of directors, or as may otherwise be required to execute
the same with full authority and to be bound hereby.

Michelle Hebert
Notary Public
Residing at Lakewood, CO
My Commission Expires: 3-18-2011



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DIVISION OF OIL, GAS AND MINING:

By John R. Baza Date 7/9/07
John R. Baza, Director

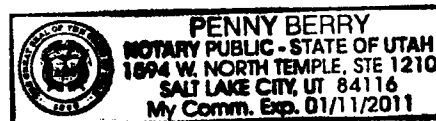
STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 9 day of July, 2007, John R. Baza
personally appeared before me, who being duly sworn did say that he,
the said John R. Baza is the Director of the Division of
Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he
duly acknowledged to me that he executed the foregoing document by authority
of law on behalf of the State of Utah.

Penny Berry
Notary Public

Residing at: Salt Lake

1/11/2011
My Commission Expires:



ATTACHMENT A
To
RECLAMATION CONTRACT
BETWEEN PRINCIPAL AND DIVISION

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas and Mining

1594 West North Temple Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

Telephone: (801) 538-5291

Fax: (801) 359-3940

PIC

M/037/088

**file w/ surety*

THE UTAH MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Lisbon Valley Mining Co., LLC, as Principal, organized under the laws of the State of Utah and American Home Assurance Company, as Surety, a corporation organized under the laws of the State of New York, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining ("Division") and the US Department of the Interior – Bureau of Land Management in the penal sum of Six Million-Seventy Six Thousand-Eight Hundred and Eighty-Eight dollars (\$6,076,888).

This Surety Bond is provided to secure the obligations of the Principal, as set forth by the terms and conditions of the Reclamation Contract, and any addendums thereto, to reclaim lands that will be affected by mining operations as identified in the Notice of Intention received, or approved if applicable, by the Division on the 22nd day of September, 2005.

The lands that are covered by this Surety Bond are the Lands Affected by mining operations as defined and described in the above Notice, and the Mining and Reclamation Plan if required, subject to terms and conditions of the Reclamation Contract.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the Mining and Reclamation Plan or Notice and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in

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accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect. Failure of the Principal to fulfill the obligations specified by the Mined Land Reclamation Act and the Rules adopted there under, and in accordance with the specification of the Principal's Mining and Reclamation Plan or Notice, may result in the Surety becoming liable on this bond obligation. Upon notification by the Division that the Principal has failed to perform as guaranteed by this bond, the Surety shall, at the Surety's(ies') option:

1. pay over to the Division the full face value sum of this Surety Bond or such lesser amount as may be specified by the Division, and be relieved of further liability under this Surety Bond;
2. make funds available as reclamation progresses, concurrent with the consent of the Division and the Principal, sufficient to pay the cost of reclamation of the Disturbed Area (as defined in the Reclamation Contract) and all applicable laws and regulations.

If the Mining and Reclamation Plan or Notice provides for periodic partial reclamation of the lands affected, and if the lands are reclaimed in accordance with such Plan or Notice, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond. In the converse, if the Mining and Reclamation Plan or Notice provides for a gradual increase in the lands affected or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety. The amount of reclamation surety may also be adjusted as a result of a periodic review by the Division, which shall take into account inflation/deflation based upon an acceptable Costs Index, or at the request of the operator.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Written notice to the Division and Principal as required by this paragraph shall be provided by certified mail or by a courier service that provides proof of delivery by signature of the recipient. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.


Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

Surety is licensed to do business in Utah and is rated by A. M. Best as A- or better or rated as having Financial Performance Rating (FPR) of 8 or better, and is listed in the U. S. Department of Treasury's Circular "570." Upon incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, or upon failure to maintain the A. M. Best or FPR rating and listing on Circular "570", Principal shall be without adequate bond coverage as required by the Division and shall have 120 days after notice to replace the bond with other bonds acceptable to the Division. If the Principal does not replace this surety bond as required, the Division may order cessation of mining operations and commence actions to enforce its rights against the Surety. The Surety's liability shall continue and the Surety will remain fully liable for all reclamation obligations of the Principal incurred until this surety bond is forfeited, or the conditions of this obligation have been satisfied.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Lisbon Valley Mining Co, LLC by Summo USA Corporation, Manager
Principal (Permittee)

John A. Labate, Chief Financial Officer
Summo USA Corporation, Manager
By (Name and Title typed):


Signature

6/28/07
Date

Surety Company

American Home Assurance Company
Surety Company Name

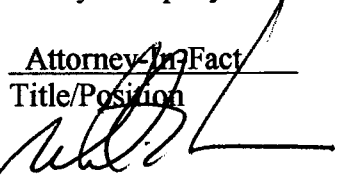
1700 Market Street, Suite 1800
Street Address

Michael E. Herrmann
Surety Company Officer

Philadelphia, PA 19103
City, State, Zip

Attorney in Fact
Title/Position

215-255-6186, Attn: R. Staples
Phone Number



Signature

June 28, 2007
Date



SO AGREED this 9th day of July, 2007.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



John R. Baza, Director
Utah State Division of Oil, Gas and Mining

***NOTE:** Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

On the 28th day of June, 2007, Michael E. Herrmann who being by me duly sworn did say that he/she, the said Michael E. Herrmann is the Attorney-In Fact of American Home Assurance Company and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Michael E. Herrmann duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Subscribed and sworn to before me this 28th day of June, 2007.

800 Pearl St. #1105
Denver, CO 80202

July 15th, 2009

POWER OF ATTORNEY

American Home Assurance Company
National Union Fire Insurance Company of Pittsburgh, PA.
Principal Bond Office: 175 Water Street, New York, NY 10038

Power No.

No.

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, PA., a Pennsylvania corporation, does each hereby appoint

---Michael E. Herrmann: of Denver, Colorado---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, PA. have each executed these presents

this 14th day of December, 2006



Vincent P. Forte

Vincent P. Forte, Vice President

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.

On this 14th day of December, 2006 before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, PA., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

Juliana E. Hallenbeck

JULIANA E. HALLENBECK
NOTARY PUBLIC, STATE OF NEW YORK
No. 01HA6125671
QUALIFIED IN BRONX COUNTY
MY COMMISSION EXPIRES APRIL 18, 2009

CERTIFICATE

Exerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, PA. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance and other contract of indemnity and writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, PA. do hereby certify that the foregoing exerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation



this day of

Elizabeth M. Tuck

Elizabeth M. Tuck, Secretary

American Home Assurance Company
 Executive Offices
 70 Pine Street
 New York, NY 10270

**STATUTORY
 FINANCIAL STATEMENT**
 as of DECEMBER 31, 2006

Assets		Liabilities	
Bonds	14,844,988,883	Reserve for Losses and Loss Expense..	13,101,063,807
Stocks	3,891,825,954	Reserve for Unearned Premiums.....	4,518,443,052
Collateral Loans.....	-	Reserve for Expenses, Taxes, Licenses and Fees.....	183,640,715
Cash & Short-Term Investments.....	293,792,090	Provision for Reinsurance.....	128,824,420
Agents' Balances or Uncollected Premiums...	993,632,424	Funds Held Under Reinsurance	
Funds Held by Ceding Reinsurers.....	13,951,474	Treaties.....	228,878,454
Reinsurance Recoverable on Loss Payments..	488,243,233	Other Liabilities.....	4,036,892,093
Equities & Deposits in Pools & Associations..	858,614,447	Capital Stock.....	25,425,810
Other Admitted Assets.....	7,024,549,082	Surplus.....	6,186,427,236
TOTAL ASSETS	28,409,595,587	TOTAL POLICYHOLDERS'	
		SURPLUS	6,211,853,046
		TOTAL LIABILITIES AND	
		POLICYHOLDERS' SURPLUS	28,409,595,587

Bonds and stocks are valued in accordance with the basis adopted by the National Association of Insurance Commissioners. Securities carried at \$2,585,607,897 in the above statement are deposited as required by law or otherwise pledged.

CERTIFICATE

John Q. Doyle, President, and Richard T. Pisano, Comptroller, of American Home Assurance Company being duly sworn, each for himself deposes and says that they are the above described officers of the said Company and that on the 31st day of December, 2006, the Company actually possessed the assets set forth in the foregoing statement and that such assets were available for the payment of losses and claims and held for the protection of its policyholders and creditors, except as hereinbefore indicated, and that the foregoing statement is a correct exhibit of such assets and liabilities of said Company on the 31st day of December, 2006, according to the best of their information, knowledge and belief respectively.



President



Comptroller

STATE OF NEW YORK
 COUNTY OF NEW YORK

} ss.:

On this ___ day of April 20, 2007, before me came the above named officers of American Home Assurance Company to me known to be the individuals and officers described herein, and acknowledged that they executed the foregoing instrument and affixed the seal of said corporation thereto by authority of their office.

FACT SHEET

DOGM issued permit number: M/037/088
Mine Name: Lisbon Valley Copper Project
Commodity: Copper
County: San Juan
Disturbed Acres: 775

Operator Name: Lisbon Valley Mining Co. LLC by Summo USA Corporation, Manager
Operator address: 3900 S. Wadsworth Blvd. Suite 495, Lakewood CO 80235
Mailing address: 920 South County Road, La Sal, Utah 84530
Operator telephone: (720) 228 0055

Contact Name: Lantz Indergard
Contact email: lindergard@lisbonvalley.com
Contact Telephone: 435.686.9950 ext. 226

Surety Type: Surety Bond
Bank Name: American Home Assurance Company
Surety Amount: 6,076,888
Account number: _____
Surety Contact: Michael E. Herrmann
Surety Contact Telephone: (303) 820-2626

Escalation year: 2009